

The circulation of the bank varies widely at different seasons. The degree of pressure for currency is indicated by the record of occasions on which notes have been issued in excess of the authorized limit and subject to the five per cent tax. These occasions were more or less exceptional down to the close of 1905. During eighteen years ending with that year,—a period of 864 weeks,—excess issues appeared an fifty-five weeks, some of them for very small amounts. Of these issues twenty-three occurred in the month of October, which is the harvest month.¹ The first occasion was in the autumn of 1890, when the limit was exceeded 656,-440 florins in the week of October yth, and the excess rose to 23,257,080 florins during the week of October 3ist. The excess of circulation declined to 17,093,710 florins in the following week and disappeared in the week of November 14th.. The pressure was felt more severely in later years and especially in 1907, when there were twenty-two weeks of excess circulation, and after August 23d, issues were continuously above the authorized limit. The highest excess was in the week ending October 3ist, when the amount was 242,067,000 crowns (\$49,125,000). Then began a gradual improvement, which carried the excess down on December 15th to 25,074,000 crowns, to be advanced again temporarily by the end-of-the-year demand for currency, which carried the excess circulation on December 31, 1907, to 187,145,-

¹ Letter of the Governor of the bank to the New York Chamber of Commerce, July 22, 1906. In this letter Count von Bilinski declared that " the system of note taxation exerted no decided influence upon the discount policy of the bank, inasmuch as the Council of Administration, after careful consideration of all circumstances, had occasion to raise its discount rate repeatedly during times when the limitation of its note issue had not been reached; and also on several occasions when its limitations were reached, it maintained a discount rate lower than the legal five per cent. rate. Thus the cost of the tax was not borne by its clients, but by the bank itself."—The Currency: Report by the Special Committee of the Chamber of Commerce of the State of New York, 43.